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C O N F I D E N T I A L SECTION 1 OF 6 USNATO 6420

E.O. 11652: GDS

TAGS: PFOR, NATO, XH

SUBJECT: TRENDS IN THE SOVIET UNION AND EASTERN EUROPE: REPORT
OF NATO EXPERTS WORKING GROUP

REF: STATE 253476

HEREWITH THE TEXT OF SUBJECT REPORT. PER PARA V REFTTEL,
MISSION PLANS TO APPROVE REPORT AT NOVEMBER 20 NAC.

BEGIN TEXT COVER NOTE:

NOTE BY THE CHAIRMAN OF THE WORKING GROUP OF EXPERTS
ON THE SOVIET UNION AND EASTERN EUROPE

EXPERTS FROM BELGIUM, CANADA, DENMARK, FRANCE, GERMANY,
GREECE, ITALY, THE NETHERLANDS, NORWAY, PORTUGAL, TURKEY, THE
UNITED KINGDOM AND THE UNITED STATES MET AT NATO HEADQUARTERS
FROM 5TH TO 8TH NOVEMBER, 1974 TO PREPARE THE ATTACHED REPORT.

2. THE REPORT COVERS THE PERIOD 18TH MAY TO
8TH NOVEMBER, 1974.

3. SINCE THE GREATER PART OF THE EXPERTS' TIME WAS
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TAKEN UP BY THEIR EXAMINATION OF THE SOVIET ATTITUDE TOWARDS
DETENTE, I DECIDED THAT IT WOULD BE PREFERABLE, IN THE INTERESTS
OF BREVITY, TO GIVE AN ACCOUNT OF THEIR DISCUSSIONS ON THIS
SUBJECT IN THE FORM OF AN ANNEX. THE FRENCH EXPERT DID NOT

PARTICIPATE IN THE DRAFTING OF THIS ANNEX. IT SHOULD BE BORNE IN MIND THAT THE LATTER, LIKE THE REPORT ITSELF, REFLECTS THE PERSONAL VIEWS OF THE EXPERTS ONLY.

END TEXT COVER NOTE.

BEGIN TEXT REPORT:

PART I - DEVELOPMENTS IN THE PROCESS OF DETENTE

1. AFTER A PERIOD OF WARINESS CAUSED BY THE DISAPPEARANCE FROM THE POLITICAL SCENE OF THE THREE WESTERN STATESMEN MOST FAMILIAR TO THE SOVIET LEADERS, THE LATTER ARE PRESSING ON WITH THE SOVIET POLICY OF DETENTE AS REAFFIRMED AT THE 24TH CONGRESS OF THE CPSU. MR. BREZHNEV AND HIS COLLEAGUES IN THE POLITBURO FOUND IT FAIRLY EASY TO ACCEPT THE ASSURANCES RECEIVED FROM THE SUCCESSORS OF MR. POMPIDOU, MR. BRANDT AND MR. NIXON CONCERNING THE CONTINUITY OF THEIR POLICIES TOWARDS THE EAST. THE RECENT VISITS TO THE SOVIET UNION BY DR. KISSINGER AND CHANCELLOR SCHMIDT, LIKE THE FORTHCOMING MEETINGS WITH PRESIDENT GISCARD D'ESTAING AND PRESIDENT FORD, PROVIDE EVIDENCE OF SOVIET INTENTIONS TO PRESS AHEAD WITH DETENTE.

2. NOTWITHSTANDING THE POSSIBLE DIVERGENCIES BETWEEN MR. BREZHNEV AND THOSE OF HIS COLLEAGUES WHO ARE THOUGHT TO PLACE THE IDEOLOGICAL STRUGGLE ABOVE DETENTE, BUT WHO MR. BREZHNEV CONTINUES TO ASSOCIATE CLOSELY WITH HIS ACTIVITIES, THE SECRETARY GENERAL'S FIRM GRIP ON THE SITUATION CAN BE TAKEN AS A SURE INDICATION THAT THIS POLICY IS TO REMAIN IN FORCE. THIS IS BORNE OUT BY THE "PRAVDA" ARTICLE OF 14TH OCTOBER, 1974 EMPHASIZING THAT THE LINE FOLLOWED BY THE "CENTRAL COMMITTEE AND THE POLITBURO HEADED BY L.I. BREZHNEV" IS THE CORRECT ONE, AS WELL AS BY THE SECRETARY GENERAL'S SCHEDULE OF PLANNED OR ANTICIPATED ACTIVITIES. IN ADDITION, THE RECENT ELECTIONS TO THE SUPREME SOVIET HAVE NOT LED TO ANY CHANGES IN THE DIFFERENT ORGANS OF LEADERSHIP.

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3. MAJOR DEVELOPMENTS IN THE TWO MAIN AREAS OF THE SOVIET POLICY OF "PEACEFUL CO-EXISTENCE", NAMELY, THE IMPROVEMENT IN RELATIONS WITH THE UNITED STATES, ON THE ONE HAND, AND "EUROPEAN SECURITY" ON THE OTHER HAND, HAVE HAD A SIGNIFICANT IMPACT ON THE PROCESS OF DETENTE.

4. IN THE CASE OF SOVIET-UNITED STATES RELATIONS, PRESIDENT NIXON'S SECOND VISIT TO THE USSR AT THE END OF JUNE (THE THIRD IN A SERIES OF YEARLY MEETINGS) WAS INSTRUMENTAL IN KEEPING UP THE MOMENTUM OF THESE RELATIONS - A MAJOR SOVIET AIM.

5. THE FACT THAT THE DIFFICULTIES OVER THE TRADE BILL

WERE RESOLVED BY THE UNDERSTANDING ON IMMIGRATION AND SUBSEQUENTLY BY DR. KISSINGER'S VISIT TO MOSCOW AND HIS DISCUSSIONS ON SALT, GAVE FURTHER IMPETUS TO THE DIALOGUE AND PREPARED THE GROUND FOR THE FORTHCOMING MEETING AT VLADIVOSTOK BETWEEN PRESIDENT FORD AND MR. BREZHNEV, A MEETING TO WHICH THE SOVIET UNION, IN THE CONTEXT OF ITS DETENTE POLICY, ATTACHES SPECIAL IMPORTANCE.

6. AT THE CSCE, THE USSR CONTINUES TO INSIST ON A SUMMIT-LEVEL FINALE, WHICH WOULD BESTOW THE FINAL MEASURE OF INTERNATIONAL LEGITIMACY ON POST-WORLD WAR II BORDERS IN EUROPE AS FAR AS MOSCOW IS CONCERNED. HOWEVER, THE SOVIET PUSH FOR AN EARLY CONCLUSION TO THE CONFERENCE NEGOTIATIONS SLACKENED DURING THE LATE SUMMER, IN PART TO DEMONSTRATE THAT MOSCOW WAS NOT UNDER TIME PRESSURE AS IT SOUGHT TO RESTRICT THE SCOPE OF CONFIDENCE-BUILDING MEASURES AND HUMAN-CONTACTS PROVISIONS DEMANDED BY THE WEST. THE SOVIET LEADERS ARE AGAIN SHOWING INTEREST IN CSCE PROGRESS, ALTHOUGH THEIR NEGOTIATIONS AT GENEVA HAVE MADE NO SUBSTANTIAL CONCESSIONS. THE RUSSIANS HAVE LET IT BE UNDERSTOOD THAT A SATISFACTORY CONCLUSION TO THE CSCE WOULD HAVE A POSITIVE INFLUENCE ON MBFR.

7. NONETHELESS, SOVIET FOREIGN POLICY STATEMENTS HAVE REPEATEDLY REFERRED TO THE NEED FOR SUPPLEMENTING POLITICAL DETENTE BY MILITARY DETENTE ALTHOUGH THERE HAS BEEN NO EVIDENCE SO FAR OF ANY LET UP IN THE SOVIET MILITARY EFFORT.

8. AS REGARDS RELATIONS BETWEEN THE EEC AND CMEA, THE
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SOVIET UNION, WHILE STILL EXPRESSING STRONG RESERVATIONS ABOUT WHAT IT DESCRIBES AS A "CLOSED ECONOMIC GROUPING", HAS NEVERTHELESS TAKEN THE INITIATIVE, IN A LETTER FROM MR. FADDEYEV TO MR. ORTOLI, IN RE-ESTABLISHING CONTACT WITH THE EUROPEAN COMMUNITIES. IT HOPES PRIMARILY THROUGH THESE CONTACTS TO PRESERVE THE ADVANTAGES THAT IT HAD OBTAINED BILATERALLY. IT IS ALSO UNDOUBTEDLY ATTEMPTING TO DISSUADE THE OTHER EASTERN COUNTRIES FROM TURNING DIRECTLY AND OUT OF TURN TO THE COMMUNITY SO AS TO CONSOLIDATE STILL FURTHER ITS POLITICAL DOMINATION OVER THEM.

9. THE GENEVA NEGOTIATIONS, LIKE THE BILATERAL CONTACTS, HAVE SHOWN THE SOVIET UNION THE EXTENT OF THE SACRIFICES IT WILL HAVE TO MAKE IN THE PURSUIT OF DETENTE.

10. AT HOME, IT IS MAINLY THE CONSIDERABLE INCREASE IN APPLICATIONS FROM WOULD-BE IMMIGRANTS FROM ALL WALKS OF LIFE WHICH IS CREATING A PROBLEM FOR THE LOCAL AND CENTRAL AUTHORITIES. IT REMAINS TO BE SEEN HOW FAR THE UNDERSTANDING WITH THE UNITED STATES AND THE REPRESENTATIONS OF OTHER WESTERN COUNTRIES WILL LEAD TO A MORE LIBERAL ATTITUDE IN THIS SPHERE.

11. IN THE OTHER EASTERN BLOC COUNTRIES, THE PURSUIT OF DETENTE, NOT NECESSARILY INTERPRETED IN THE SAME WAY AS IN THE SOVIET UNION, AT ONE TIME PROVIDED A VEHICLE FOR THEIR HOPES OF REDUCED DEPENDENCE, PARTICULARLY IN ECONOMIC MATTERS, ON THE USSR.

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12. THE IDEOLOGICAL TIGHTENING-UP PROCESS WHICH HAS RECENTLY BEEN NOTICED BOTH WITHIN THE USSR AND WITHIN THE OTHER EASTERN BLOC COUNTRIES AND SOVIET CALLS FOR GREATER INTEGRATION PARTICULARLY IN THE IDEOLOGICAL AND ECONOMIC FIELDS HAVE UNDOUBTEDLY BEEN DESIGNED TO WAR OFF THIS TWO-FOLD DANGER.

13. DETENTE HAS ALLOWED THE USSR TO WEAVE A NET OF BILATERAL AGREEMENTS WHICH IS SUFFICIENTLY DENSE, BOTH IN THE TECHNICAL AND SCIENTIFIC FIELDS AND AT POLITICAL LEVEL TO UNDERPIN IT'S EUROPEAN ASPIRATIONS IN PARTICULAR. IN ITS VIEW, THIS NET SHOULD REPLACE THE DIVISION BETWEEN THE BLOCS. DETENTE HAS ALSO ENABLED IT TO ASSERT ITSELF MORE FIRMLY ON THE WORLD SCENE AND TO PARTICIPATE MORE ACTIVELY IN THE SETTLEMENT OF WORLD PROBLEMS.

PART II: ECONOMIC ASPECTS AND THEIR POLITICAL IMPLICATIONS

14. SOVIET ECONOMIC PERFORMANCE IS, AS USUAL, MIXED. LAST YEAR'S RESPECTABLE HARVEST HAS CLEARLY HELPED TO RAISE INDUSTRIAL PRODUCTION, PARTICULARLY IN THE LIGHT INDUSTRY SECOTR. ALL THE INDICATIONS ARE THAT THE 1974 GRAIN HARVEST WILL FALL WELL BELOW PLAN GOALS (205.6 MILLION TONS) AND PROBABLY WILL NOT EXCEED 195 MILLION TONS. INDUSTRIAL
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PRODUCTION AS A WHOLE SHOULD GROW BY 6.5 PER CENT IN 1974, SLIGHTLY ABOVE LAST YEAR'S LEVEL. PERSISTENCE OF SUCH PERENNIAL PROBLEMS AS LOW CAPITAL AND LABOUR PRODUCTIVITY HAS GENERATED YET ANOTHER DEBATE WITHIN THE SOVIET HEIRARCHY ABOUT ECONOMIC REMEDIES AND REFORMS. THE NEED FOR GREATER EFFICIENCY IS ACKNOWLEDGED GENERALLY, YET THERE IS NO EVIDENCE OF A CONSENSUS WITHIN THE REGIME TO SANCTION MORE THAN MINOR EXPERIEMENTS IN MANAGERIAL RESTRUCTURING.

15. THE SOVIET INTERNATIONAL FINANCIAL POSITION IS EXPECTED TO BE FURTHER STRENGTHENED THIS YEAR. ON THE ONE HAND THE RISE IN THE PRICE OF GOLD HAS FORTUITOUSLY RAISED THE VALUE OF THE SOVIET UNION'S GOLD STOCK TO MORE THAN \$10 BILLION, OR ABOUT FOUR TIMES THE SOVIET DEBT TO WESTERN COUNTRIES. ON THE OTHER HAND THE TERMS OF TRADE HAVE TURNED IN THE SOVIET UNION'S FAVOUR BECAUSE OF THE RISE IN THE WORLD PRICE OF OIL AND OTHER RAW MATERIALS, PRODUCING A FOREIGN TRADE SURPLUS. EXPORTS TO HARD-CURRENCY COUNTRIES ARE LIKELY TO RISE MORE THAN 50 PER CENT IN 1974, TO \$7.5 BILLION; THESE COULD BE FURTHER BOOSTED BY OPPORTUNITIES TO SELL ARMS, FOR EXAMPLE TO THE MIDDLE EAST, FOR CONVERTIBLE CURRENCIESM IMPORTS ARE LIKELY TO FALL FROM \$6.5 BILLION TO \$6.0 BILLION AS A RESULT OF CUTS IN THE IMPORTS OF AGRICULTURAL PRODUCTS. ALTHOUGH LAST YEAR'S GOOD HARVEST REDUCED THE NEED FOR GRAIN IMPORTS THIS YEAR, THE SOVIET UNION HAS ALREADY MADE CONSIDERABLE PURCHASES OF GRAIN ON THE WORLD MARKET IN 1974.

16. WHILE MOST EAST EUROPEAN COUNTRIES CHALKED UP A GOOD ECONOMIC PERFORMANCE AND HAD - EXCEPT FOR ROMANIA - FAIR - TO- EXCELLENT HRRVESTS, ALL WERE AFFECTED TO GREATER OR LESSER EXTENTS BY RISING WORLD PRICES WHICH WORSENEED THEIR TERMS OF TRADE, INCREASED THE SUBSIDIZATION OF CONSUMER PRICES, AND ADVERSELY AFFECTED THEIR FOREIGN TRADE BALANCE.

17. THE INCREASING CREDIT-WORTHINESS OF THE USSR HAS WIDENED ITS OPTIONS IN EXTERNAL PAYMENTS AND IN COMMERCIAL TACTICS, ENHANCING ITS CAPABILITIES TO OBTAIN WESTERN EQUIPMENT AND ADVANCED TECHNOLOGY, WHICH ARE IMPORTANT TO ECONOMIC GROWTH. THIS NEW SITUATION, ALTHOUGH OFFERING POSSIBILITIES TO SOVIET POLITICAL AIMS, NEVETHELESS DOES NOT GIVE THE SOVIET FUNION ANY POLITICAL ADVANTAGES OVER THE WEST. IN ACT MOSCOW WILL
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FOR THE MOST PART CONTINUE TO BE THE DEMANDEUR IN ITS ECONOMIC/ COMMERCIAL RELATIONS WITH THE WESTERN WORLD. HOWEVER, THE GROWING ECONOMIC DIFFICULTIES IN THE WEST MAY INCREASE SOVIET POSSIBILITIES TO EXPLOIT THE SITUATION ININDIVIDUAL COUNTRIES, ON THE ONE HAND, AND TAKE ADVANTAGE OF COMPETITIVE BIDDING BETWEEN THE COUNTRIES FOR SOVIET TRADE ON THE OTHER.

18. THE USSR HAS RECENTLY SHOWN AN INCREASING TENDENCY TO PAY CASH FOR SOME OF ITS PURCHASES IN THE WEST. BUT IN MAXIMIZING THEIR IMPORTS, THE SOVIETS WILL CONTINUE TO BORROW AND RELY REAVILY ON SUBSIDIZED WESTERN CREDITS. INDEED, THE FACT THAT EXPORT CREDIT IS OFFERED TO THE SOVIET UNION BY THE WEST AT RATES WELL BELOW COMMERICAL LEVELS IN A PERIOD OF HIGH INFLATION, AND THAT FURTHERMORE THE SOIVET UNION IS ABLE TO PROFIT FROM COMPETING WESTERN EXPORT CREDIT RATES, SUGGESTS THAT THE QUESTION OF CRDIT IS FAR MORE IMPORTANT TO THE DEVELOPMENT OF SOVIET TRADE THAN A RELATIVELY MODEST AND POSSIBLY TEMPORARY IMPROVEMENT IN THE BALANCE OF PAYMENTS. GROWING RELUCTANCE IN THE WEST TO CONTINUE SUBSIDIZING INTEREST RATES TO THE USSR MAY MAKE IT NECESSARY FOR MOSCOW TO PAY HIGHER RATES THAN IN THE PAST.

19. WITHIN THE WARSAW PACT THE RISE IN INTERNATIONAL RAW MATERIALS PRICES HAS CUT TWO WAYS, BENEFITING THE USSR BUT HARMING ITS ALLIES. FURTHERMORE, THE SOVIETS ARE LIKELY TO TAKE A MORE HARD-NOSE ATTITUDE TOWARD THEIR ALLIES IN TRADE NEGOTIATIONS FOR THE COMING FIVE-YEAR PERIOD BY DEMANDING STIFFER PRICES FOR RAW MATERIALS. IN ADDITION, MOSCOW IS CONTINUING TO CALL FOR EXPANDED EASTERN EUROPEAN INVESTMENT IN THE EXPLOITATION OF SOVIET NATURAL RESOURCES TO GUARANTEE FUTURE AVAILABILITY OF THOSE GOODS. THE CHANGE IN WORLD PRICES HAS THUS AFFORDED MOSCOW A FURTHER OPPORTUNITY TO PRESSURE ITS ALLIES FOR CLOSER SOVIET-STYLE INTEGRATION AND TO EDGE THEIR ECONOMIC DEPENDENCE UP ANOTHER NOTCH. IN THIS SITUATION THE EASTERN EUROPEAN COUNTRIES MAY HAVE EVEN GREATER INTEEST IN ECONOMIC CO-OPERATION WITH THE WEST.

20. THE SOVIET ADVANCES ON BEHALF OF CMEA TOWARDS THE EC ARE, AMONGST OTHER CONSIDERATIONS, MOTIVATED BY THE DESIRE TO OVERSEE AND INFLUENCE ITS ALLIES ECONOMIC DEALINGS WITH THE EC COUNTRIES. THE EXTENT TO WHICH CMEA SHOULD CONTROL THE CONFIDENTIAL

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REATIONSHIP BETWEEN THE COMMUNITY AND THE EAST EUROPEAN COUNTRIES IS A COMPLEX QUESTION FOR BOTH SIDES AND IT WILL RPBABLY BE RESOLVED ONLY VERY SLOWLY. ON THE EASTERN SIDE IT WILL RAISE CONFLICTS OF NATIONAL ECONOMIC AND POLITICAL INTERESTS. ON THE WESTERN SIDE IT RAISES THE DANGER OF ASSITING FURTHER SUBORDINATION OF THE EAST EUROPEAN COUNTRIES TO THE USSR.

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PART III: INTER-PARTY RELATIONS

21. THE INDICATIONS ARE THAT THE RUSSIANS CONTINUE TO BE INTERESTED IN A WORLD CONFERENCE OF COMMUNIST PARTIES AND THAT THEY SEE A EUROPEAN COMMUNIST PARTY CONFERENCE AS A NECESSARY PRELIMINARY TO ACHIEVING THIS GOAL. THIS WAS THE CLEAR INDICATION OF REMARKS MADE BY MR. BREZHNEV IN A SPEECH AT KATOWICE ON 20TH JULY OF THIS YEAR, ALTHOUGH NO EXPLICIT CALL FOR A WORLD CONFERENCE HAS YET BEEN MADE BY MOSCOW.

22. IN THIS CONTEXT NO PARTICULAR SIGNIFICANCE SHOULD BE ATTACHED TO THE FACT THAT THE USUAL JULY MEETING IN THE CRIMEA OF FIRST PARTY SECRETARIES OF THE WARSAW PACT COUNTRIES AND MONGOLIA DID NOT TAKE PLACE THIS YEAR. BUT IT MAY BE THAT AFTER THE WARSAW PACT CONSULTATIVE COMMITTEE MEETING IN PARIL, A MEETING OF ALL THE PARTY LEADERS WAS CONSIDERED SUPERFLOUS.

23. THE MEETING OF 28 EUROPEAN COMMUNIST PARTIES IN WARSAW ON 16TH TO 18TH OCTOBER THIS YEAR REACHED AGREEMENT ON THE NEED FOR A EUROPEAN COMMUNIST PARTY CONFERENCE. THE "WISH WAS EXPRESSED" IN THE FINAL COMMUNIQUE THAT THE CONFERENCE SHOULD MEET NOT LATER THAN MID-1975.

24. FROM AT LEAST EARLY 1973 CERTAIN WESTERN EUROPEAN
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COMMUNIST PARTIES HAVE SHOWN THEMSELVES IN FAVOUR OF A PAN-EUROPEAN COMMUNIST PARTY CONFERENCE. AT FIRST THE CPSU ONLY RELUCTANTLY ACQUIESCED IN THE IDEA OF SUCH A CONFERENCE. HOWEVER, ESPECIALLY AFTER THE FEBRUARY MEETING IN BRUSSELS OF WESTERN EUROPEAN COMMUNIST PARTIES, THE CPSU SEEM TO HAVE ADOPTED A MORE POSITIVE ATTITUDE.

25. THERE ARE OBVSIOUS ADVANTAGES FOR THE CPSU IN THE HOLDING OF A PAN-EUROPEAN CONFERENCE. IN THE FIRST PLACE, AS MENTIONED ABOVE, THE RUSSIANS APPEAR TO HAVE CALCULATED THAT IF THEY ARE TO ACHIEVE THEIR MAIN GOAL - THE HOLDING OF A WORLD COMMUNIST PARTY CONFERENCE - THEY MUST FIRST JUMP THE HURDLE OF A EUROPEAN CONFERENCE. THIS WOULD FOLLOW THE PRECEDENT OF THE

1969 WORLD CONFERENCE WHICH HAD BEEN PRECEDED TWO YEARS EARLIER

BY KARLOVY VARY. SECONDLY, AS PONCMAREV INDICATED IN HIS WARSAW SPEECH, THE CPSU WOULD LIKE TO MAKE USE OF A FORTHCOMING PAN-EUROPEAN CONFERENCE TO ENDORSE THE RESULTS OF THE CSCE.

26. PONOMAREV ALSO SUGGESTED IN WARSAW THAT THE PAN-EUROPEAN CONFERENCE SHOULD PRODUCE TWO SO-CALLED BASIC DOCUMENTS: A POLITICAL DECLARATION AND SOME KIND OF APPEAL TO EUROPEAN PEOPLES. THESE DOCUMENTS, IF DRAFTED ALONG THE LINES SUGGESTED BY PONOMAREV, COULD SERVE THE INTERESTS OF THE CPSU IN THE FOLLOWING WAYS:

(I) BY MAKING A SOVIET INITIATIVE A FOCAL POINT OF THE EUROPEAN COMMUNIST MOVEMENT;

(II) BY MAKING THE COMMUNIST PARTIES IN WESTERN EUROPE MORE PALATABLE TO THEIR ELECTORATES;

(III) BY LOWERING THE RESISTANCE OF OTHER PARTIES TO THE IDEA OF A COALITION GOVERNMENT WITH THE COMMUNISTS.

27. IT IS FAIRLY CLEAR THAT CERTAIN WESTERN EUROPEAN COMMUNIST PARTIES SUCH AS THE PCI SUPPORTED THE IDEA OF A PAN - EUROPEAN CONFERENCE AS A MEANS OF RESISTING SOVIET PRESSURE FOR A WORLD CONFERENCE. FURTHERMORE, A NUMBER OF WESTERN EUROPEAN COMMUNIST PARTIES, AS WELL AS THE YUGOSLAVS AND THE CONFIDENTIAL

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RUMANIANS, DOUBTLESS SEE IN A PAN-EUROPEAN CONFERENCE AN OPPORTUNITY TO SECURE THE FORMAL ENDORSEMENT OF THEIR VIEWS ON INTER-PARTY RELATIONS, WITH PARTICULAR EMPHASIS ON THE EQUALITY AND AUTONOMY OF EACH PARTY; THE RIGHT OF EACH PARTY TO CHOOSE ITS OWN NATIONAL ROAD TO SOCIALISM; THE INADMISSIBILITY OF ATTACKING OTHER COMMUNIST PARTIES; AND THE PRINCIPLE OF CONSENSUS IN REACHING COMMON DECISIONS. IN THIS CONTEXT THE YUGOSLAV AND RUMANIAN PARTIES HAD ALREADY MADE THEIR POSITION PLAIN IN

PUBLIC PRIOR TO THE WARSAW MEETING. AS FOR THE MEETING ITSELF, THE YUGOSLAVS MADE THE RUNNING, FOR EXAMPLE SAYING THAT THE EUROPEAN CONFERENCE SHOULD NOT DISCUSS THE QUESTION OF A WORLD CONFERENCE. THE RUMANIANS WERE LESS ACTIVE THAN MIGHT HAVE BEEN EXPECTED. BUT IT WAS CLEAR THAT THE ITALIANS WERE WORKING CLOSELY WITH THE YUGOSLAVS THROUGHOUT THE CONFERENCE. A NUMBER OF PARTICIPANTS AT THE WARSAW MEETING, WHO ARE NOT IN FAVOR OF A WORLD CONFERENCE OF COMMUNIST PARTIES, MUST ALSO HAVE BEEN ENCOURAGED BY THE FAILURE OF THE RUSSIANS TO MAKE ANY REFERENCE TO IT.

28. EVEN IF THE WARSAW MEETING HAS LARGELY ENDORSED THE POINTS OF VIEW OF THE MORE AUTONOMOUS PARTIES, IT IS QUESTIONABLE

IF, FOR THE REASONS LISTED ABOVE, THIS CAN BE CONSTRUED AS A SETBACK TO SOVIET FOREIGN PLICY. IF NOTHING ELSE, THE CPSU HAS SUCCEEDED IN SHIFTING THE FOCUS OF NON-RULING PARTIES' COLLABORATION FROM A WESTERN EUROPEAN CONTEXT TO A PAN-EUROPEAN FORUM.

PART IV: EASTERN EUROPE

29. ATTENTION IN EASTERN EUROPE HAS BEEN FOCUSSED ON THE GDR'S PROGRESS IN ESTABLISHING DIPLOMATIC RELATIONS WITH THE OUTSIDE OWRLD, AND ON THE BALKANS, WHERE, IN CONNECTION WITH THE CYPRUS CRISIS, RUMANIA AND YUGOSLAVIA WERE EXPRESSING NEW APPREHENSIONS OVER SOVIET INTENTIONS.

30. THE CRISIS OVER THE ESTABLISHMENT OF THE FEDERAL GERMAN ENVIRONMENTAL AGENCY IN BERLIN HAD IMMEDIATE REPERCUSSIONS ON THE NORMALIZATION OF RELATIONS BETWEEN THE UNITED STATES AND THE GDR WHICH WAS DELYED. IN SEPTEMBER WHEN THE SITUATION HAD RETURNED TO NORMAL, DIPLOMATIC RELATIONS WERE ESTABLISHED, CONFIDENTIAL

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LEAVING CANADA AS THE ONLY NATO COUNTRY WITHOUT FORMAL DIPLOMATIC TIES WITH THE GDR. CHANGES IN THE GDR CONSITUION IN SEPTEMBER LEIMINATED ALL REFERENCES TO GERMANY AS A WHOLE AND TO A SINGLE GERMAN NATION, BUT INSERTED THE ASSERTION THAT THE GDR IS "FOREVER AND IRREVOCABLY ALLIED" WITH THE SOVIET UNION.

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31. IT IS THOUGHT THAT THE GDR WILL TRY TO OBTAIN THE SUPPORT OF THE SOVIET UNION AND THE OTHER COUNTRIES OF EASTERN EUROPE FOR ITS POLICIES. THE GDR HAS MADE A CONCESSION IN PARTIALLY WITHDRAWING THE INCREASE IN THE MINIMUM EXCHANGE QUOTE

FOR TOURIST TRAFFIC WHICH HAD CAUSED ANNOYANCE IN THE FEDERAL REPUBLIC. HOWEVER, THE NEGOTIATIONS BETWEEN THE BERLIN SENATE AND THE GDR IN MANY FIELDS HAVE NOT BEEN COMPLETED.

32. RELATIONS BETWEEN THE SOVIET UNION AND RUMANIA HAVE BEEN STRAINED. AT THE APRIL MEETING OF THE WARSAW PACT POLITICAL CONSULTATIVE COMMITTEE, RUMANIA AGREED TO MAKE ONLY MINOR CONCESSIONS TO CRITICISM OF HER WILLINGNESS TO CO-OPERATE. IN MID-JUNE REPORTS, EVIDENTLY INSPIRED TO SOME EXTENT BY THE RUMANIANS THEMSELVES, CIRCULATED WIDELY THAT RUMANIA WAS UNDER INCREASING SOVIET PRESSURE TO GRANT A PERMANENT CORRIDOR FOR TRANSIT OF TROOPS AND EQUIPMENT BETWEEN THE USSR AND BULGARIA. THE SOVIET UNION WAS FORCED TO DENY THIS AND THE RUMANIANS PRESUMABLY THEREFORE SUCCEEDED IN HAVING THE PRESSURE REMOVED.

33. THE DRAFT RUMANIAN PARTY PROGRAMME FOR THE NEXT TWENTY YEARS, PUBLISHED IN SEPTEMBER, FORMALLY CODIFIES RUMANIA'S WELL-KNOWN INDEPENDENT POLICIES. THE PERMANENCE WHICH THIS DOCUMENT LENDS TO THESE POLICIES WILL MAKE IT EASIER FOR THE RUMANIANS TO RESIST SOVIET PRESSURE. WHILE THIS PROGRAMME WILL BE CONFIDENTIAL

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NOT PLEASE THE SOVIET UNION, ITS PUBLICATION HAS HAD NO ADVERSE EFFECT ON RUMANIAN-SOVIET RELATIONS AS KOSYGIN'S ATTENDANCE AT RUMANIA'S ANNIVERSARY CELEBRATIONS SHOWS. THE PRESENCE OF A HIGH-RANKING CHINESE ON THE SAME PLATFORM, HOWEVER, EMPHASIZED THE RUMANIANS' ATTACHMENT TO THEIR BALANCING ACT.

34. IN YUGOSLAVIA THE NEW CONSTITUTION AND THE PARTY CONGRESS WERE ATTEMPTS TO RESHAPE STATE AND PARTY INSTITUTIONS TO DEAL WITH THE INITIAL PROBLEMS OF THE SUCCESSION. WHILE ANY POST-TITO LEADERSHIP WILL HAVE TO COPE WITH A NUMBER OF UNSOLVED PROBLEMS, PROSPECTS FOR AN ORDERLY TRANSFER OF POWER SEEM TO HAVE IMPROVED. THE CONGRESS EMPHASIZED THE PARTY'S LEADING ROLE IN YUGOSLAV SOCIETY AND YUGOSLAVIA'S INDEPENDENT NON-ALIGNMENT POLICY. THIS HELPED TO COUNTER WESTERN PRESS SPECULATIONS THAT YUGOSLAVIA WAS RETURNING TO THE SOVIET FOLD.

35. FURTHERMORE, THE ARREST AND SUBSEQUENT TRIAL OF 32 "COMINFORMISTS" - WHICH SERVED TO ISSUE A WARNING BOTH TO DOMESTIC DISSIDENT AND TO HOSTILE FOREIGN INTERESTS - WILL CERTAINLY HAVE INFLUENCED THE YUGOSLAV LEADERSHIP WHO CLEARLY BELIEVE, WHATEVER THEY SAY IN PUBLIC, THAT THE SOVIET UNION WAS INVOLVED IN THIS AFFAIR. THEY INTEND, HOWEVER, TO MAINTAIN THE APPEARANCE OF NORMALITY IN THEIR STATE RELATIONS WITH THE USSR. THE RUMANIANS SHARE THE YUGOSLAVS' APPREHENSIONS ABOUT SOVIET INTENTIONS AND ALONE AMONG WARSAW PACT COUNTRIES PUBLICIZED TITO'S STATEMENT ABOUT THE "COMINFORMIST" PLOT. A CLOSER RELATIONSHIP BETWEEN THE TWO PARTIES WAS FURTHER REFLECTED IN THE INTENSIVE ROUND OF CONSULTATIONS AND APPARENTLY CO-ORDINATED ATTITUDES TOWARDS THE PAN-EUROPEAN AND WORLD COMMUNIST CONFERENCES. THE YUGOSLAVS ARE ALSO SEEKING TO IMPROVE THEIR RELATIONS WITH CHINA

AS IS EVIDENCED BY THEIR SENDING BOTH A PARLIMENTARY AND A MILITARY DELEGATION.

36. THE YUGOSLAV ECONOMY HAS BEEN ADVERSELY AFFECTED BY THE INCREASES IN THE COSTS OF IMPORTED OIL AND RAW MATERIALS AND BY INFLATION. THE GOVERNMENT HAS INTRODUCED A SERIES OF NATI-INFLATION MEASURES WHICH HAVE NOT BEEN VERY SUCCESSFUL. THE DINAR WAS ALSO RECENTLY DEVELUED.

37. IN ALBANIA THE REPLACEMENT OF DEFENCE MINISTER BALLUKU TOOK PLACE UNDER CIRCUMSTANCES SUGGESTING A POLICY DISAGREEMENT
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WITH THE PARTY LEADER HOXHA AND PERHAPS A LOOSENING OF TIES WITH CHIAN, ALTHOUGH THIS LATTER OPINION IS NOT SHARED BY ALL EXPERTS. IN A SPEDCH IN OCTOBER HOXHA REVIEWED HIS FOREIGN POLICY AND EXPRESSED ALBANIAN DETERMINATION TO RESIST ANY ARMED ATTACK AGAINST ALBANIA OR ITS NEIGHBOURS THROUGH ALBANIAN TERRITORY.

END TEXT REPORT.

BEGIN TEXT ANNEX:

THE SOVIET UNION AND DETENTE(1)

1. FOR THE SOVIET UNION DETENTE IS NOT AN OBJECTIVE IN ITSELF BUT THE INSTRUMENT WHICH ALLOWS THE KREMLIN TO PURSUE ITS TRADITIONAL FOREIGN POLICY. THE USE OF THE EXPRESSION BY THE RUSSIANS IS IN ITSELF CONFUSING, SINCE THE USSR AT THE SAME TIME MAKES USE OF THE CONCEPT OF "PEACEFUL COEXISTENCE". BUT THE RELATIONSHIP BETWEEN THESE CONCEPTS CAN BE BRIEFLY SUMARIZED BY STATING THAT, FOR MOSCOW, DETENTE - A POLITICAL CONCEPT OF ESSENTIALLY WESTERN ORIGIN - IS THE REUSLT OF ITS "PEACE POLICY", DEFINED AT THE 24TH CPSU CONGRESS IN 1971. IT RESTS ON THE "LENINIST PRINCIPLE" OF "PEACEFUL COEXISTENCE", WHICH, WHILE ALLOWING FOR GOOD RELATIONS BETWEEN STAES OF DIFFERENT SOCIAL SYSTEMS, SPECIFICALLY REQUIRES THE PURSUIT OF THE IDEOLOGICAL STRUGGLE BETWEEN EAST AND WEST.

2. DETENTE IS THEREFORE A MEANS AND NOT AN END. THE END IS THE PROGRESSIVE SHIFTING OF THE WORLD BALANCE OF POWER IN FAVOUR OF THE SOVIET UNION, PRINCIPALLY TO THE DETRIMENT OF THE UNITED STATES AND OF THE ATLANTIC ALLIANCE.

3. THIS GRAND DESIGN IS SERVED BY THEIR DETENTE POLICY IN THE FOLLOWING WAYS:

(I) IT SEEKS TO REMOVE THE DANGER OD WAR WITH THE UNITED STATES;

(II) IT AIMS TO LEGITIMIZE ONCE AND FOR ALL THE STATUS QUO IN EASTERN EUROPE;

(III) IT REMOVES THE THREAT OF WAR ON TWO FRONTS, WITH
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THE ATLANTIC ALLIANCE AND WITH CHINA, AND IN THE PROCESS ALSO SEEKS
TO ISLOATE THE CHINESE;

(IV) IT HELPS THE SOVIET UNION ACQUIRE STATUS -
AS A POLITICAL PEER OF THE OTHER SUPER POWER,
THE UNITED STATES; AS A RESPONSIBLE MEMBER OF
THE INTERNATIONAL COMMUNITY; AND AS A CHAMPION
OF DISARMAMENT;

(V) IT BRINGS WITH IT ECONOMIC, COMMERCIAL AND
TECHNOLOGICAL BENEFITS AND MAY GIVE THE
CAPITALIST POWERS A LONG-TERM VESTED INTEREST
IN GOOD RELATIONS WITH THE SOVIET UNION;

(VI) IT AIMS TO LESSEN THE CONCERN OF WESTERN PUBLIC
OPTION FOR THEIR SECURITY AND THE MAINENANCE
OF THE ATLANTIC ALLIANCE AND TO ENHANCE THE
IMAGE OF INTERNATIONAL COMMUNISM IN THE EYES
OF WESTERN PUBLIC OPIONION.

BEGIN FOOTNOTE:

(1) THE FRENCH EXPERT DID NOT TAKE PART IN DRAFTING THIS PAPER

END FOOTNOTE.

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H 4. SOME OF THE ABOVE GOALS CAN ONLY BE ACHIEVED OVER THE

MEDIUM-LONG-TERM. A CHANGE OF POLICY WOULD ALMOST CERTAINLY RESULT FROM A RE-EVALUATION OF PERCEIVED ADVANTAGE OF SOVIET STATE INTERESTS RATHER THAN SIMPLY FROM A CHANGE OF PERSONALITIES ALTHOUGH THE PRESENT LEADERSHIP HAS A CONSIDERABLE PERSONAL INVESTMENT IN THE POLICY OF DETENTE.

5. IT WOULD SEEM THAT SO FAR DETENTE HAS BROUGHT THE RUSSIANS MORE BENEFITS THAN DISADVANTAGES. MOST IMPORTANT OF ALL, DETENTE HAS BROUGHT CONCRETE GAINS IN THE RELATIONSHIP WITH THE UNITED STATES. AGREEMENT ON STRATEGIC QUESTIONS AND ON THE MANAGEMENT OF CRISES AND REGULAR CONTACTS AT THE HIGHEST LEVEL BETWEEN WASHINGTON AND MOSCOW HAVE ESTABLISHED THE SOVIET UNION'S STATUS AS THE ONLY OTHER SUPER-POWER ON A LEVEL WITH THE UNITED STATES. CHINA HAS BEEN VISIBLY RELEGATED TO THE THIRD PLACE IN THE MOSCOW-WASHINGTON-PEKING TRIANGLE.

6. DETENTE HAS ALSO ENABLED THE SOVIET UNION TO BRING OFF, IN THE SHAPE OF THE CSCE, ITS LONG-CHERISHED AIM OF A EUROPEAN SECURITY CONFERENCE WHICH, FOR THE RUSSIANS, SHOULD ALONG OTHER THINGS, LEAD TO THE DE FACTO RECOGNITION OF THE SITUATION CREATED BY THE WAR IN EASTERN EUROPE. IT HAS BEEN INSTRUMENTAL IN IMPROVING BILATERAL RELATIONS BETWEEN THE SOVIET UNION AND THE MAJORITY OF WESTERN COUNTRIES. THE
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RUSSIANS HAVE SO FAR HAD TO GIVE NOTHING AWAY ON MBFR.

7. THE ELEMENTS ON THE DEBIT SIDE ARE FEWER. THEY ARE NONETHELESS SIGNIFICANT AND HAVE TENDED TO ACCUMULATE IN RECENT MONTHS. DETENTE HAS BEEN ONE OF THE CONSTRAINTS ON SOVIET FREEDOM AND MANOEUVRE IN THE MIDDLE EAST WHERE THE SOVIET UNION HAS NOT SUCCEEDED SO FAR IN REGAINING THE INITIATIVE. THE CSCE MUST HAVE GONE MORE THAN A LITTLE SOUR ON THEM BY NOW. THE DEMANDS OF THE AMERICAN RELATIONSHIP HAVE APPARENTLY FORCED THE RUSSIANS TO ADMIT TACITLY TO CONGRESSIONAL SCRUTINY OF A SENSITIVE AREA OF THEIR DOMESTIC AFFAIRS. SALT II IS PROVING EXTREMELY DIFFICULT TO NEGOTIATE.

8. THE RELATIONSHIP BETWEEN THE EEC AND CMEA HAS YET TO CRYSTALLIZE. THE EXTENT TO WHICH THIS WILL BE A CREDIT FACTOR IN SOVIET EYES WILL DEPEND ON HOW SUCCESSFUL THE RUSSIANS ARE IN DILUTING THE COMMUNITY'S COMMON COMMERCIAL POLICY TOWARDS STATE TRADING COUNTRIES AND IN MAINTAINING, IN ESSENCE, THE PRESENT STRUCTURE OF BILATERAL COMMERCIAL ARRANGEMENTS BETWEEN EASTERN AND WESTERN EUROPE.

9. WHILE A CARDINAL CONSIDERATION OF THE ATTITUDE OF THE COUNTRIES OF THE ALLIANCE TO THE EAST IS TO DISTINGUISH BETWEEN, ON THE ONE HAND, POLICY TOWARDS THE SOVIET UNION AND ON THE OTHER, TOWARDS THE REST OF THE WARSAW PACT COUNTRIES, EXPERTS DIFFER ON THE EXTENT TO WHICH THESE GOVERNMENTS, OTHER THAN THAT OF ROMANIA, CAN PURSUE - IN THE FORSEEABLE FUTURE - DETENTE

POLICIES SUBSTANTIVELY AT VARIANCE WITH THOSE OF THE SOVIET UNION. SO FAR THEIR PERFORMANCE AT THE CSCE (WITH THE USUAL ROMANIAN EXCEPTION) HAS UNDERLINED THEIR ACQUIESCENCE IN THE SOVIET APPROACH. HOWEVER THE SOVIET UNION'S EFFORTS TO CO-ORDINATE THE CMEA COUNTRIES' RELATIONS WITH THE EC MAY WELL PROVIDE SERIOUS DISAGREEMENTS BETWEEN MOSCOW AND ITS ALLIES ABOUT THE FUTURE PATTERN OF ECONOMIC RELATIONS WITH THE WEST.

10. DETENTE IS ALSO ILAUGHT WITH RISKS FOR THE SOVIET UNION AND ITS ALLIES. INASMUCH AS IT ALLOWS THE DEVELOPMENT OF CONTACTS (ECONOMIC, SCIENTIFIC, TOURIST, ETC.) IT CAN PRODUCE IDEOLOGICAL ESION, UNDERMINE THE AUTHORITY OF THE EXISTING REGIMES AND CREATE PRESSURE FOR SOME MEASURE OF LIBERALIZATION. THE RISK SEEMS TO BE GREATER
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IN THE PEOPLE'S DEMOCRACIES THAN IN THE SOVIET UNION. IT CERTAINLY EXPLAINS THE LOGICAL TURN OF THE SCREW WHICH AS OCCURRED IN RECENT YEARS IN THE WARSAW PACT COUNTRIES AND THE SOVIET UNION'S CALLS FOR BLOCK COHESION. IN A MORE GENERAL SENSE, DETENTE MAY LEAD TO DIVERGENCIES WITHIN THE COMMUNIST MOVEMENT AS CERTAIN PARTIES TAKE MOSCOW TO TASK FOR PREFERRING DETENTE TO REVOLUTION.

11. IT IS UNLIKELY THAT THERE WILL BE A FUNDAMENTAL CHANGE IN SOVIET DETENTE POLICY IN THE SHORT OR MEDIUM TERM, SINCE IT IS HARD TO CONCEIVE OF AN ALTERNATIVE POLICY THAT WOULD BRING THE SOVIET UNION GREATER BENEFITS. AT THE SAME TIME, IT WOULD BE WRONG TO EXPECT THE RUSSIANS TO PURSUE THEIR DETENTE POLICY AT A CONSISTENTLY EVEN PACE. THEY HAVE, FOR INSTANCE, OBVIOUSLY NEEDED TIME TO ASSESS THE IMPACT ON DETENTE OF (A) CHANGES IN THE WESTERN AND, ABOVE ALL, AMERICAN LEADERSHIP (B) THE ECONOMIC CRISIS IN THE WEST AND THE INCREASE IN PRICES OF RAW MATERIALS. THIS LATTER PHENOMENON HAS RAISED QUESTIONS ABOUT THE SOVIET UNION'S COMMERCIAL RELATIONS WITH THE WEST (AND WITH THE OTHER COUNTRIES OF CMEA) BUT AS RECENT NEGOTIATIONS WITH WESTERN FIRMS HAVE SHOWN, THIS HAS NOT APPARENTLY CHANGED THEIR VIEW OF THE VALUE OF MORTGAGING PART OF THE SOVIET UNION'S MATERIAL RESOURCES IN ORDER TO SECURE WESTERN AID TO GET MORE OUT OF THE GROUND FASTER.

12. IF, HOWEVER, THE CONSEQUENCES OF THE DETENTE POLICY WERE TO THREATEN THE POSITION OF THE CPSU IN THE SOVIET UNION, THAT OF THE PRESENT LEADERSHIP IN THE PARTY, OR THAT OF THE SOVIET UNION IN EASTERN EUROPE, THIS WOULD ALMOST CERTAINLY LEAD TO ITS MANDONMENT. THERE MAY BE OTHER REASONS WHY THE SOVIET UNION MIGHT BE TEMPTED TO ABANDON DETENTE ALTOGETHER, THAT IS TO SAY TO RETURN TO A MORE RIGID POLICY TOWARDS THE WEST. BUT ON EXTERNAL RELATIONS THIS COULD OF COURSE HAVE TO BE THE RESULT OF SOME FUNDAMENTAL CHANGE IN EAST-WEST RELATIONS.

13. FAILURE TO EXTRACT ANY FURTHER ECONOMIC AND TECHNO-
LOGICAL SAVINGS FROM DETENTE WOULD ALSO ROB THE POLICY OF AN
IMPORTANT PART OF ITS RATIONALE AND SAP MUCH OF THE INCENTIVE
BEHIND ITS PURSUIT. AS BREZHNEV MADE CLEAR IN A SPEECH ON
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14TH OCTOBER, 1974, ON THE OCCASION OF THE RECENT MOSCOW
SESSION OF THE UNITED STATES/SOVIET TRADE AND ECONOMIC COUNCIL,
IN RUSSIAN EYES PROFITABLE POLITICAL RELATIONS DIRECTLY
BENEFIT FROM COMMERCIAL LINKS. ALL THE SAME, THE DECLINE OF
THE ECONOMIC ASPECT OF DETENTE WOULD PROBABLY NOT BE SUFFICIENT
CAUSE IN ITSELF FOR A FORMAL RENUNCIATION OF THE POLICY BY THE
SOVIET UNION.

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14. THE IMPORTANCE OF DETENTE'S ECONOMIC ASPECT TO THE
POLICY AS A WHOLE IS A MATTER OF SOME DEBATE. EVENTS, HOWEVER,
HAVE SHOWN THAT, WHILE WESTERN TECHNOLOGY CAN HELP THE SOVIET
UNION TO LEAP-FROG DEVELOPMENT SAGES IN CERTAIN SPECIFIC
FIELDS, IT CAN DO LITTLE ON ITS OWN TO REMEDY THE UNDERLYING
PROBLEMS OF THE SOVIET ECONOMY: LOW PRODUCTIVITY, LOW RETURN
ON CAPITAL INVESTMENT, INEFFICIENT USE OF RESOURCES, ETC.
FURTHERMORE, THE FACT THAT VERY FEW OF THE SIBERIAN JOINT
DEVELOPMENT SCHEMES HAVE GOT FURTHER THAN THE DRAWING BOARD IS
A REFLECTION NOT ONLY OF THE IMMENSE PROBLEMS INVOLVED BUT ALSO
OF THE RUSSIANS' SLOWNESS IN DECIDING TO WHAT EXTENT THEY WANT
SIBERIAN DEVELOPMENT TO BE IN THE HANDS OF FOREIGNERS.
HISTORICALLY, FROM LENIN'S NEP ONWARDS, THE SOVIET UNION HAS
SHOWN ITSELF CAPABLE OF MOVING FROM A PERIOD OF ECONOMIC
COLLABORATION WITH THE WEST TO ONE OF NEAR TOTAL ISOLATION.
A SWITCH NOW TO THE LATTER POLICY IS HIGHLY UNLIKELY, ESPECIALLY

IN THE LIGHT OF THE HEIGHTENED EXPECTATIONS OF THE SOVIET CONSUMER. BUT, IN THE LAST RESORT, IF THE POLITICAL CONDITIONS OF DETENTE BECOME UNACCEPTABLE TO THE SOVIET UNION, THE RUSSIANS WOULD CALCULATE THAT THEY COULD ON THEIR OWN RESOURCES MAINTAIN THEIR NUCLEAR AND MILITARY PARITY WITH THE WEST; AND WOULD ON THAT BASIS BE WILLING TO RETREAT INTO A STATE OF ISOLATION, WITH ALL THE CONSEQUENCES FOR THE SOVIET STANDARD OF LIVING AND FOR THE EFFICIENCY OF SOVIET INDUSTRY THAT THIS WOULD ENTAIL.

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15. AS TO THE ONGOING EAST-WEST NEGOTIATIONS, IN NO CASE WILL THE SOVIET UNION MAKE CONCESSIONS WHICH ENCROACH ON FUNDAMENTAL ASPECTS OF THEIR SYSTEM SUCH AS THE SYSTEM OF GOVERNMENT, THE STRUCTURE OF POWER WITHIN THE SOVIET UNION, AND THE SOVIET POSITION IN EASTERN EUROPE. IN AS FAR AS BASKET III OF THE CSCE STRIKES DIRECTLY OR BY IMPLICATION AT THE HEART OF THE SYSTEMS OF GOVERNMENT IN EASTERN EUROPE AND THE SOVIET UNION, MOSCOW'S FREEDOM TO MAKE SUBSTANTIVE CONCESSIONS MUST BE CIRCUMSCRIBED. LIKEWISE MBFR'S IMPLICATIONS FOR THE GARRISON ROLE OF SOVIET TROOPS IN EASTERN EUROPE MUST HAVE CONTRIBUTED TO THE RIGIDITY OF THE SOVIET POSITION. BUT THERE ARE A NUMBER OF FACTORS WHICH SUGGEST THAT PATIENT AND DETERMINED NEGOTIATION ON THE PART OF THE WEST COULD BRING CONCESSIONS FROM THE RUSSIANS.

16. TWO CONSIDERATIONS OF TIMING ARE WORKING AGAINST THE SOVIET UNION. ONE IS THE 25TH PARTY CONGRESS DUE IN 1976, AT WHICH BREZHNEV WILL PRESUMABLY SEEK FORMAL ENDORSEMENT AND PROLONGATION OF THE DETENTE POLICY INITIATED AT THE LAST CONGRESS IN 1971. IT IS HARD TO SEE HOW BREZHNEV COULD CARRY THIS OFF WITH ANY CONVICTION UNLESS THE CSCE HAD ALREADY BEEN CONCLUDED BY A THIRD STAGE AT SUMMIT LEVEL. IT FOLLOWS THEREFORE THAT THE RUSSIANS MIGHT MAKE FURTHER CONCESSIONS, IF NECESSARY, AT GENEVA TO GET THE STAGE III THEY WANT. THE SECOND PIECE IN THE JIGSAW IS THE PLANNED CONFERENCE OF EUROPEAN COMMUNIST PARTIES, WHICH LOOKS LIKE BEING HELD IN MID-1975. IT IS POSSIBLE THAT SUCH A CONFERENCE WILL TAKE PLACE AFTER THE CONCLUSION OF CSCE SINCE IT IS PRESUMABLY IN THE SOVIET INTEREST THAT THIS, TOO, SHOULD ENDORSE THE CPSU'S DETENTE POLICY (THIS HAS BEEN GIVEN ADDED IMPORTANCE IN VIEW OF CRITICISMS MADE EARLIER THIS YEAR BY THE SPANISH COMMUNIST PARTY, WHICH ACCUSED MOSCOW OF COMPROMISING ITS MARXIST PRINCIPLES BY PURSUING DETENTE). THIS WOULD BE A FURTHER IMPORTANT PREPARATORY STEP FOR THE 25TH PARTY CONGRESS; IT WOULD ADD IMMEASURABLY TO THE OCCASION IF BREZHNEV WERE ABLE TO PRESENT TO THE CONGRESS A POLICY ALREADY ENDORSED AT THE EUROPEAN CONFERENCE. ON SEVERAL COUNTS THEREFORE THE EARLY AND SUCCESSFUL CONCLUSION OF THE CSCE AT SUMMIT LEVEL WOULD APPEAR TO BE AN OBJECTIVE FOR WHICH THE RUSSIANS WOULD BE PREPARED TO PAY A PRICE.

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17. ONE OF THE MAIN CONCERNS OF THE COLLECTIVE LEADERSHIP IN PURSUING THEIR DETENTE POLICY WAS THAT IT WOULD LEAD TO INTERFERENCE IN SOVIET AFFAIRS BY OUTSIDERS. THIS HAS INDEED ALREADY HAPPENED. THE SOVIET AUTHORITYS APPEAR TO HAVE REALIZED THAT ONE FACET OF DETENTE POLICY MUST INVOLVE CONSIDERATION OF WESTERN PUBLIC OPINION AND THAT AN OCCASIONAL GESTURE HAS TO BE MADE, E.G. THE PANOVS, GENERAL GRIGORENKO, AND THE ABSTRACT ART EXHIBITION. THE JACKSON-KISSINGER EXCHANGE OF LETTERS ALSO INDICATES THAT WHERE THE GOAL IS SUFFICIENTLY IMPORTANT, THE RUSSIANS CAN BE BROUGHT TO PAY A HIGH PRICE (ALTHOUGH IT REMAINS TO BE SEEN HOW THE UNDERSTANDING WILL BE IMPLEMENTED BECAUSE IT IS NOT CLEAR TO WHAT THEY THINK THEY ARE COMMITTED). THE SOVIET LEADERSHIP HAVE PROBABLY CALCULATED THAT A SPECIFIC CONCESSION ON AN ASPECT OF THEIR EMIGRATION POLICY IS AMENABLE TO CONTROL IN A WAY THAT GENERAL RELAXATION ON THE MOVEMENT OF PEOPLE AND IDEAS IN EITHER DIRECTION WOULD NOT BE. IT IS CERTAINLY DIFFICULT TO CONCEIVE OF THE PRESENT LEADERSHIP PRESIDING OVER A CONCESSION OF THE LATTER KIND WITHOUT ITSELF CHANGING FUNDAMENTALLY IN CHARACTER, WHICH IS OF COURSE INHERENTLY UNLIKELY. IN FACT THE COROLLARY OF DETENTE IS INCREASED ORTHODOXY AT HOME. WHETHER THE RUSSIANS WILL BE ABLE TO RESOLVE THE CONTRADICTIONS IN THIS DUALISM REMAINS TO BE SEEN.

END TEXT ANNEX.

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